



AOT in Action

Welcome to AOT in Action, your weekly e-newsletter from the Arizona Office of Tourism (AOT).

A Message from Director Sherry Henry:

Good afternoon,

It was great to see all of you at the 2011 Governor's Conference on Tourism!

I want to thank everyone for their participation in the event. From informative breakout sessions to exceptional keynote speakers, I know we all gained valuable marketing insight. And with more than 500 industry professionals in attendance, this year's conference was one of our best networking events as well!

I want to congratulate the winners of both the Governor's Tourism Awards and STAR gala. All the winners deserved the recognition for their passion and dedication to the success of the Arizona tourism industry. And for those of you who were unable to attend this year's event, we have a few of the major announcements below in the **AOT News** section of today's newsletter. Also, later this week you will be able to access many of the presentations from the Governor's Conference at www.aztourismconference.com.

In addition to our conference announcements, we also have other major announcements such as AOT's Cooperative Program, along with trade and media opportunities. All the information can also be found in the **AOT News** section below.

Sherry Henry
Director, Arizona Office of Tourism

AOT News

Arizona Office of Tourism Releases 2010 Tourism Industry Statistics

The Arizona Office of Tourism (AOT) announced that 36.9 million overnight domestic and international visitors experienced Arizona as a travel destination in 2010, a 4.5 percent increase

over 2009. Visitor spending directly generated \$17.7 billion dollars, which is approximately \$48 million dollars being contributed to Arizona's economy every single day. [Read full press release.](#)

Tourism Industry Honor Industry Leaders at 2011 Governor's Conference on Tourism

Arizona tourism professionals recognized and honored industry leaders today at the 2011 Governor's Conference on Tourism. Arizona Office of Tourism (AOT) Director Sherry Henry, along with AOT Deputy Director Mark Stanton, presented the awards during the Governor's Awards Luncheon at the Doubletree Paradise Valley Resort. More than 400 tourism industry members from both the private and public sector were in attendance. [Read full press release.](#)

New Update to AOT's Research Web site!

The following items have been updated in the Research and Statistics section of AOT's business-to-business Web site www.azot.gov.

- [Arizona Travel Impacts 1998-2010p](#)
 - We have also updated the [2010 Arizona Travel Economic Impact Interactive Tool](#)
- [2011 Researchmania Presentation](#)

For additional information or questions, please contact Melissa Elkins, Research Manager, at 602-364-3716 or via e-mail at melkins@azot.gov.

AOT Cooperative Program Announced – Limited Opportunity Deadlines August 3

The Arizona Office of Tourism's (AOT) Fiscal Year 2012 Consumer Cooperative Advertising Opportunities were presented Wednesday, July 13 at the Governor's Conference on Tourism to statewide DMOs. Through AOT's participation with certain media partners, negotiated rates will be extended to statewide entities for select print, online and video on demand opportunities.

To view the AOT media plan and cooperative advertising opportunities, visit <http://www.azot.gov/download/414>. To view the cooperative advertising opportunities only, visit [http://www.azot.gov/system/files/415/original/AOT FY12 Co-op Opportunities FINAL.pdf?1310767832](http://www.azot.gov/system/files/415/original/AOT_FY12_Co-op_Opportunities_FINAL.pdf?1310767832). For specific questions on the media plan and cooperative opportunities, contact Rebekah Bell, advertising manager at 602-364-3699, rbell@azot.gov or Robin Garrison, digital advertising manager at 602-364-3710, rgarrison@azot.gov.

Register Now for the 13th Annual Arizona Showcase in Hermosillo

The Arizona Office of Tourism will hold the 13th Annual Arizona Showcase October 6, 2011 in Hermosillo, Sonora, Mexico. This event promotes fall and holiday shopping, attractions, accommodations and medical services throughout the State. The highlight of the event will be a charity fashion show with local models - specifically targeting high income families and individuals with a strong propensity to travel. The cost to participate varies from \$900 - \$2,500 depending on type of supplier and level of participation, plus travel expenses and shipping. **The deadline to participate is August 31, 2011.** For more information please contact Kristin Swanson at kswanson@azot.gov or 602-364-3696.

Join us as the Arizona Office of Tourism goes to Canada

The Arizona Office of Tourism's trade representatives will head to Canada twice this fall to promote Arizona to the travel trade. One mission will be to the east visiting Montreal and Winnipeg the week of October 9 and one will be to the west visiting Regina, Saskatoon and Edmonton the week of October 30. DMOs and suppliers are welcome to participate. If you are interested in joining the trade team in Canada and would like more information, please contact Jennifer Sutcliffe at jsutcliffe@azot.gov or Kristin Swanson at kswanson@azot.gov.

Advertisement Opportunities Available in AOT's Consumer Fulfillment Pieces

2012 Arizona Official State Visitor's Guide

Madden Media is now accepting advertising reservations for the 2012 Official State Visitors Guide (OSVG) and Map. This is the main consumer fulfillment piece of the Arizona Office of Tourism. The 2011 OSVG successfully integrates with AOT's online marketing efforts, including www.arizonaguide.com. Travelers have responded well to the newer OSVG design and magazine-style features that were rolled out in the 2010 OSVG and Map. Of particular interest, potential visitors found advertising placements helpful and stated in focus group testing that they would use them to choose specific trip activities. The 2012 OSVG will continue to build upon this success!

For more information, please contact Madden Media's Phoenix office at 480-638-3770 or Tucson office at 520-322-0895.

AOT Consumer E-newsletter & Banner Ads

Additionally, there is also a chance to participate in AOT's consumer eNewsletters and banner advertising efforts on www.arizonaguide.com. AOT distributes a monthly eNewsletter to 350,000+ subscribers who have opted in to information regarding Arizona travel. Madden Media is also offering immediate opportunities for interested advertisers to sponsor AOT's consumer eNewsletters, which have been recently redesigned to ensure more attention and click-thrus for partners. Immediate online opportunities are available, as well as discounts when you combine print placements with the digital vehicles.

For more information, please contact Madden Media's Phoenix office at 480-638-3770 or Tucson office at 520-322-0895.

Upcoming Events & Activities

Vancouver Media Marketplace

Dates: August 16

Location: Hawksworth Restaurant, Vancouver

France Media Mission

Date: September 12 – 16

Location: Paris, France

Montreal Media Mission

Date: September 27– 28
Location: Montreal, QB

Industry News

Measuring How Tourism Pays Off: Start with 12-to-One

When the state of Washington virtually eliminated its budget for attracting tourists, it raised a critical question: how effective are the millions of dollars spent on attracting visitors, both at the local, state and national level?

A new study has some answers. Marketing campaigns more than pay for themselves by the business they generate, according to the study. It also found there's a 12-to-1 return on marketing dollars.

"There's a reason that America's most prominent brands continue to increase their marketing budgets: it works," said Roger Dow, president and CEO of the U.S. Travel Association.

The study was conducted by Longwoods and commissioned by the US Travel Association. It analyzed marketing campaigns by the State of Michigan and the Greater Philadelphia Tourism Marketing Association.

"After inconsistent promotion efforts for decades, the Pure Michigan state promotion campaign began regionally in 2006 and went national in 2009. The powerful and non-traditional storytelling of Pure Michigan has stimulated 7.2 million trips to Michigan by out-of-state visitors," the study found. Those visitors spent US\$2 billion at Michigan businesses and generated \$138 million in new tax revenue for Michigan -- more than three times the cost of the advertising itself.

"In 2010, the second year of national Pure Michigan advertising, spending by out-of-state leisure visitors jumped 21 percent from 2009, to \$6.4 billion. At the same time, Michigan tourism-related employment rose by 10,000 jobs," the study added.

In Philadelphia, a 1995 report by The Pew Charitable Trusts identified leisure travel as a potential replacement industry for lost manufacturing jobs. This led to the creation of the Greater Philadelphia Tourism Marketing Corporation (GPTMC) in 1996 by Pew, the City of Philadelphia and the Commonwealth of Pennsylvania to promote the region to leisure travelers.

Since 1997, overnight visitation to Greater Philadelphia has grown by 66 percent, six times faster than the national growth rate of 11 percent.

According to the US Travel Association's 2009 annual Survey of State Tourism Office Budgets, 31 states cut funding for tourism advertising and marketing by 13 percent, or \$52.7 million, between 2008 and 2009.

The state of Washington closed its tourism office in June 2011, harkening back to Colorado's decision to abolish its marketing program in 1993 due to budget constraints.

According to a study by Longwoods International, Colorado eventually lost more than 30 percent of its share of domestic visitors and more than \$2 billion annually in visitor spending. (*Travel Mole, July 12*)

Falling US Dollar will Lure Canadian Tourists this Summer

US tourism businesses that cater to Canadians can expect more robust activity this summer in large part because of the weak dollar, predicts IBISWorld in their latest research.

"An anticipated influx of foreign tourists will boost demand for transportation, lodging and entertainment services," the company says. It added:

"In particular, tourism from Canada, which accounts for about 40 percent of all trips to the United States by foreign citizens, will experience a stronger summer than last year due to the country's economic recovery."

IBIS says GDP growth of about 3 percent so far this year compares favorably with a 2.5 decline last year. The US dollar also continues to decline compared to the Canadian dollar.

The report says Japan has also rebounded since last year when its economy fell by more than five percent.

"Tourism-specific industries, such as tour operators, convention and visitor bureaus and sightseeing transportation will be obvious beneficiaries of any tourism increases," says IBIS World experts. They predict strong growth from each of these industries this summer, noting a greater volume of international travelers will benefit the sightseeing transportation industry the most, as it bounces back from two straight years of rapid decline.

Lodging is the other natural beneficiary of increased tourism. IBISWorld Industry Reports are used for understanding market size, competitors, drafting business plans, pitch books, benchmarking, forecasting, business valuations, litigation support, due diligence and more. (*Travel Mole, July 13*)

Business Travel Spending Rises 6.3% in Second Quarter

Business travel spending totaled \$62.2 billion in the second quarter, rising 6.3% from a year ago despite headwinds facing the economic recovery, according to the latest estimate from the Global Business Travel Association.

GBTA, a trade group for corporate travel managers, also estimates business travel spending will grow 6.9% for 2011.

The growth forecast is based on its expectation that the U.S. economic recovery will march on and resist a double-dip recession despite rising oil prices, slowing global growth and shaky consumer confidence. Growing demand will also allow hotels and airlines to boost pricing, it says.

"We've now hit a soft patch in the economic revival, but business travel spend levels tell us the recovery should continue," says Michael McCormick, GBTA's executive director. "Now is the time when companies will absolutely call upon their strategic travel programs to help offset rising costs and keep travelers doing business."

Business travelers can expect higher prices for the rest of the year compared to a year ago, but the rate of increase will be more moderate than earlier in the year, GBTA says. With higher fares and hotel rates, business travel prices are expected to increase by 4.5% to 5% in 2011.

International travel spending is growing much more quickly than domestic spending, GBTA says. Total spending on trips abroad is estimated to hit \$31.8 billion in 2011, a 9.1% increase over 2010.

The same market forces that are causing travel prices to rise for transient business travel will also push group travel spending to \$107.2 billion for 2011, a 6.8% increase. (*USA Today*, July 13)

U.S. Travel Applauds TSA's First Step Toward Risk-Based Airport Security

The U.S. Travel Association today applauded the Transportation Security Administration's (TSA) announcement that it will pilot a "trusted traveler" program generally aligned with the Association's March 2011 recommendation. TSA's program is expected to test enhancements to TSA's pre-flight, identity-based screening capabilities through a partnership with U.S. Customs and Border Protection (CBP) and U.S. air carriers.

"We applaud Administrator Pistole's courage to find a better way to conduct air travel security screening," said Roger Dow, president and CEO of the U.S. Travel Association. "While this program will be limited at the outset, it is a strong start. We look forward to working with TSA to move our nation's air travel security away from today's one-size-fits-all approach."

According to the TSA, certain frequent travelers of American and Delta Air Lines and certain members of CBP's existing trusted traveler programs traveling through Atlanta, Dallas-Fort Worth, Detroit and Miami will be eligible to participate in the pilot. TSA is expected to expand the pilot to include United Airlines, Southwest, JetBlue, US Airways, Alaska Airlines, and Hawaiian Airlines, as well as additional airports, once operationally ready.

In March, the U.S. Travel Association partnered with Tom Ridge, former secretary of Homeland Security, Jim Turner, former Democratic congressman and chairman of the House Homeland Security Committee, and Sam Gilliland, chairman and CEO of Sabre Holdings, to recommend a risk-based trusted traveler program where travelers could voluntarily provide background information to qualify for expedited screening, similar to trusted traveler programs operated by CBP.

"Recent studies show that travelers are widely supportive of this concept," said Dow. "As the program evolves, it is critical that eligibility expands beyond frequent flier programs and that the entirety of the security process – lines and screening – is improved for all travelers."

More information on the U.S. Travel Association's recommendations can be found at: www.ustravel.org/betterway. (*Travel Industry Wire*, July 14)

PhoCusWright: Americans 'Still Cautious' About Vacation

Although the hotel industry recovery is well under way, Americans are still extra cautious about taking vacations, according to a new report by PhoCusWright.

"We all wish (leisure travelers) were feeling very optimistic but I chose the words 'on the edge' very deliberately," said Carroll Rheem, PhoCusWright's director of research, who presented findings from "On the Edge of Optimism: Key U.S. Traveler Insights" on a webinar this week. "Travel is an indulgence that some people aren't quite ready to splurge on yet."

Rheem used a swimming pool analogy to describe the return of leisure travel in the U.S. "They're tip-toeing back in," she said. "We would love to see the consumer take a cannonball leap, but the diving board isn't seeing much action."

2008-2010 growth

Much of PhoCusWright's findings were based on recovery numbers from 2008 to 2010. For reference, in that timeframe, the U.S. annual household spend saw little improvement—"more of a trickle than a downpour," Rheem said.

Some leisure-travel data highlights, comparing 2008 to 2010:

- The incidence of travel (those who stayed overnight in paid accommodation or paid for air travel at least once) in younger baby boomers bounced back from 2009 to 2010, but nowhere close to 2008 levels.
- Generation Y travelers, whom Rheem said are often thought of as "being somewhat pampered and living leisure lifestyles," are actually pulling back strongly on incidences of leisure travel. "Mom and dad certainly were not paying for Spring Break," she said.
- On a positive note, 32% of those surveyed planned on taking more trips in 2011 than in 2009. "So we're seeing growth in optimism, and that's a great thing," Rheem said.
- Conversely, the survey indicated no strong declines in people saying they'll take fewer trips. In a strong recovery, Rheem said, a significantly fewer respondents would note they are planning to take fewer trips in the coming year. From 2010 to 2011, that percentage of respondents stayed nearly the same. "It's a sign of their cautiousness," Rheem said.
- Respondents are planning to take shorter trips. But Rheem says this is actually a sign of health for the industry because, on a whole, trips got shorter, but more trips were added. "As people come back into the pool, they'll be taking shorter trips," she said. Also, respondents who said they're planning to take a long-term leisure trip of more than 14 days just for fun increased slightly.
- The most telling sign for PhoCusWright, Rheem said, is the change in discretionary trips—pure vacations that aren't tied to an event. There was a healthy increase in the percentage of respondents indicating they are planning a discretionary trip in 2011, and that movement is a strong indicator of health, she said. The slice of respondents planning true vacations went from 38% to 42%.

Media trends

An important part of the findings centered on how consumer behavior is changing with regards to booking travel.

- Travelers ranked the information sources they used when selecting a vacation destination: 1) computer, 2) personal recommendations, 3) websites or apps on a mobile device. The mobile category grew from 6% to 13% year over year. “Destinations marketers do really need to pay attention to the mobile when it comes to destination selection,” Rheem said.
- The use of electronic information sources when booking travel saw increases mostly in the event that travelers got to choose their own destination rather than the destination being predetermined by a wedding or other event. Rheem explained the increases by saying people who take these discretionary trips tend to be more affluent and more tech-savvy.
- The Internet’s influence on leisure travelers continues to grow, particularly the use on online review sites. From 2009 to 2010, the percentage of travelers who said TripAdvisor is “very influential” in their planning process rose from 23% to 27%.
- Of the rich-media features available on the Internet, mapping was reported as the strongest and most influential. Despite the increasing popularity of user-generated content, professional photography is still more influential than photos taken by other travelers.
- “Photography and video is great for inspiring and giving you ideas,” Rheem said. “But when it comes to the nitty-gritty of making decisions, what’s going to make you choose this hotel over that hotel? Price, location and quality rating.” (*Hotel News Now.com, July 15*)

Calendar of Events

Visit www.ArizonaGuide.com to find information on all the exciting [events, festivals and activities](#) held throughout the Grand Canyon State!

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